GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:3951
ANSWERED ON:14.12.2000
PRIVATE SECTOR OIL REFINING COS. FOR MARKETING RIGHTS
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the names of qualified private sector Oil Refining Companies entitled for marketing rights of the controlled products along with the dates of their applications;

(b) whether the undue delay in granting the rights has ensured secured profits and lifting of controlled products of such refineries by the Government Oil Corporations and causing steep rise in crude oil prices in international market;

(c) if so, whether the Government are considering to pass orders to investigate the matter in this regard; and

(d) the time by which these Oil Companies are likely to be granted marketing rights to avoid malpractices ?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a):- The Government of India announced a road map for dismantling of Administered Pricing Mechanism (APM) in Novemeber, 1997. The aforesaid announcement inter alia provided for grant of marketing rights for transportation fuels viz. Motor Spirit (MS), High Speed Diesel (HSD) and Aviation Turbine Fuel (ATF) conditional on owning and operating refineries with an investment of at least Rs.2,000 crore or oil exploration and production companies producing atleast three million tonnes of crude oil annually. Full de-regulation of Petroleum Sector is targetted from 1st April, 2002 onwards.

The Governmenthave received requests from M/s. Reliance Petroleum Limited, M/s. Essar Oil Limited and M/s. Mangalore Refinery & Petro-chemicals Limited for grant of marketing rights for transportation fuels.

(b) :- In May, 1998 Government decided that the marketing of controlled products should continue to be regulated in accordance with the present regime, until the Administered Pricing Mechanism (APM) is fully dismantled. As such there is no delay.

(c) :- Does not arise.

(d) :- The eligible companies will be authorised to market transportation fuels as per Government decisions mentioned in (a) and (b) above.